

MEMORANDUM

TO: Regional Directors

FROM: John M. Daniel, Jr., P.E., DEE
Director, Division of Air Program Coordination

SUBJECT: Memo Number 02-1006. Nitrogen Oxides Budget Trading Program State Implementation Plan - Permit Application

DATE: September 6, 2002

Copies: Bob Burnley, Air Permit Managers

REFERENCES: Code of Virginia, Applicable State and Federal Statutes and Regulations

I. PURPOSE:

This policy sets forth the schedule for the initiation of permit applications for the Nitrogen Oxides Budget Trading Program State Implementation Plan (NO_x SIP Call) by November 1, 2002.

II. BACKGROUND:

EPA made the determination between 1998 and 2000 that sources in 19 states and the District of Columbia contribute significantly to nonattainment of the ozone standard in one or more downwind states. EPA requires that each of the affected upwind states submit revisions to their State Implementation Plans prohibiting the emissions that significantly contribute to downwind air quality problems. Virginia was included as one of the affected states.

The rulemaking, known as the NO_x SIP Call Rule, 40 CFR 51.121, includes statewide NO_x emissions budgets that each state must achieve by the year 2007. The rule also identifies specific source categories that are covered by the rule. These categories include electric generating units with a nameplate capacity greater than 25 MWe and non-electric general industrial sources emitting more than 100 MMBtu/hr. Failure to achieve the budget will result in a Federal Implementation Plan, which EPA has promulgated under Part 97 (65 FR 2727, January 18, 2000). Recent court action has revised the compliance deadline for the NO_x Budget Trading Program to May 31, 2004.

The final version of the Nox SIP Call regulation was published in the Virginia Register on June 17, 2002. It became into effect 30-days later on July 16, 2002. As described in Article 3 of this regulation (9 VAC 5-140-200) matching the specific source categories (9 VAC 5-140-40) applicable to the NO_x SIP Call must complete

(9 VAC 5-140-40) applicable to the NO_x SIP Call must complete an application for a NO_x Trading Budget meeting the May 31, 2004 compliance deadline, the Virginia Department of Environmental Quality (VADEQ) 1, 2002 date for receipt of initial permit applications.

III. STATEMENT OF POLICY:

To meet the goal of receiving all NO_x Trading Budget permit applications by Friday, November 1, 2002 the need to be performed:

- All currently operating facilities meeting the definitions of the NO_x SIP Call specific source categories notification of their obligation to submit an application by Friday, September 27, 2002. The notifications follow the format of the attached boilerplate letter. All facilities included in the USEPA allowance Electrical Generation Units (EGU) and Non EGU sources (see attached lists) will be contacted. proposed facilities that are applying for permits that meet the definitions included within the specific (9 VAC 5-140-40) will also be notified of their obligations.
- A description of the Information required for a NO_x Budget Trading application is provided in 9 VAC 5-140-40. In accordance with the requirements of this regulation, the permit application will consist of three USEPA forms: the Permit Application, the General Account Information form (EPA Form 7620-15) and the Account Certificate (EPA Form 7620-16). A copy of the Permit Application is attached. Masters of the General Account Certificate of Representation documents are available on the Clean Air Markets Program website (<http://www.epa.gov/airmarkt/fednox/index.html>).
- All Permit Applications, General Account Information applications and Account Certificate of Representation forms completed by the owners/operators or their consultants and delivered to the regional offices by Friday, October 11, 2002.
- The regional offices will notify the facilities that they have received the documents within 10 business days. The regional offices will have 60-days after receiving the application to review the documents for completeness and to report on their findings.
- After the regional office representatives have determined that the documents are complete and correct, the owners/operators or their consultants. The regional office will submit the original signed copies of the General Account Information and Certificate of Representation forms to the USEPA within 10 business days of receipt, no later than November 15, 2002. The original documents will be sent to USEPA NO_x Budget Trading Program, NO_x Allowance Tracking System, 1200 Pennsylvania Avenue, NW, Washington D.C., 20460. After the documents are received, the USEPA will issue a NO_x Allowance Tracking System (NATS) account number and Representative (AAR) identification number to the facility. The owner/operator will then provide this information to the regional office.

Any questions or comments from the VADEQ Regional Office representatives can be directed to Charles Smith at 804-698-4023.

APPROVED:

John M. Daniel, Jr., Director
Air Division

Robert G. Burnley, Director
Program Support and Evaluation